

Growing the Pie, Job by Job

Posted by **Pierluigi Oliverio** on Monday, August 15, 2011



SolFocus, which manufactures innovative photovoltaic systems, moved its headquarters and 100 employees to San Jose.

Increasing the tax base helps government provide services at levels that meet most residents' expectations. At the national level it's clearly impossible to grow the economy to pay off the national debt. At the state level, the current rate of economic growth is unlikely to keep the budget balanced this year. However, at the local level where budget deficits are not allowed, an increased tax base could go towards providing services to residents and thus restoring key positions.

As our region grows, San Jose benefits from both the marketing efforts of our Office of Economic Development and, of course, private-property lease rates. One of the advantages in San Jose has been a lower square-foot cost of commercial space than up in the Peninsula, plus larger buildings for expansion. Of course having Sun Micro abandon their gigantic campus in Menlo Park for Facebook to occupy or the massive commercial office build-out at Moffet Field does not help San Jose, as these developments will soak up a portion of the company expansions before they can move south to San Jose.

On Friday, Mayor Reed cut the ribbon for SolFocus, which moved their headquarters and 100 employees to Zanker Road. Joining them shortly will be Cavium Networks, which is moving its corporate headquarters to San Jose to occupy approximately 100,000 square feet on North First Street. Also, as noted in the press, San Jose will be asked to share a portion of its sales tax revenues back with Netflix as they

move their DVD division to San Jose this year. Along with new companies there will also be expansions from companies already in San Jose like Super Micro, Tandem Diagnostics, SoloPower and Zazzle to name a few.

But as we know, companies ebb and flow, as Cisco just laid off approximately 1,300 San Jose employees. Yet we must move forward by focusing on companies that actually have a product they are selling in the marketplace. Over time we will work our way to having more jobs and tax revenue in San Jose but we must be patient with retaining land for this purpose.

On Saturday, a signing ceremony took place between 1stAct and the San Francisco Planning & Urban Research Association (SPUR)—an organization of urban planners that focuses on advocating for the “Urban Center.” SPUR, funded by the Knight Foundation, will be located downtown for at least three years. It was nice to hear the overwhelming positive comments regarding San Jose from SPUR and the Knight Foundation. I look forward to their contribution to San Jose as the Council will adopt the new General Plan this Fall.

Finally, as the bill for High Speed Rail approaches \$100 billion, it seems less likely that it will ever be built. Much has been said about a tunnel in San Jose and its cost. Part of the cost of tunneling is based on the geology Downtown and along Hwy 87. Case in point: Take the sinkholes on Hwy 87.

Last month, a sinkhole developed on southbound Hwy 87 south of 280 and the Virginia Street overcrossing. Although Caltrans filled the sinkhole, further investigation showed that the underlying cause is excessive groundwater infiltration which caused the sinkhole to expand, requiring more significant repairs.

The specific project to repair the sinkhole(s) is expected to start on Wednesday evening Aug. 24 and end by Sept. 30. The current plan has manageable impacts to southbound Hwy 87 and the Alma Street exit ramp which include the following: The third lane from the center median in the southbound direction will be closed most every day from 9am to 3pm. The Alma Street exit will be closed 9am to 3pm, with detours via Almaden Expwy. All southbound lanes will be narrowed as well to create safe space for crews to complete the repairs.

Oh and yes the Jazz Festival Downtown was great.

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